

Labour Market Notes

Job losses in Alberta mark the end of 2015

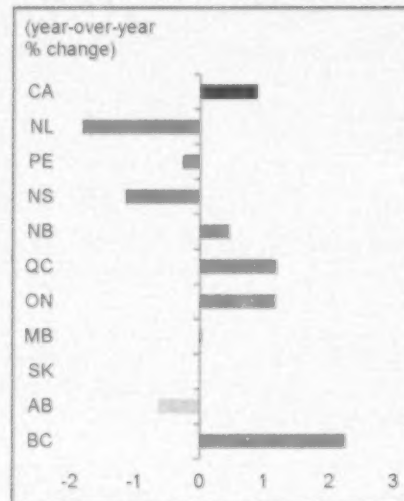
Alberta

- Employment falls for third straight month. Alberta employment declined by 3,900 in December, adding to the 25,700 losses in the previous 2 months.
- Continued losses in private sector. Employment was pulled down by losses in the private sector (-13,800) and public sector (-6,700). Self-employment increased by 16,700, the largest monthly gain on record. Full-time employment fell by 23,200, while part-time employment (+19,400) was up in December.
- Goods sector employment tumbles. December employment losses were concentrated in the goods sector (-10,200), while the service sector gained 6,300 jobs. The largest industry loss was in accommodation and food services (-11,500), followed by construction (-5,200). Since December 2014, the service sector has added 24,900 jobs, while jobs in the goods sector have fallen by 39,500.
- No change in unemployment rate. Alberta's unemployment rate ended 2015 unchanged at 7.0%, in line with the national average. Over 2015, the unemployment rate increased by 2.5 percentage points and averaged 6.0% for the year.
- Second month of negative employment growth. Year-over-year (y/y) growth in employment fell by 0.6% in December, a decline of 14,600 jobs. In 2015, employment growth was 1.2% due to gains in the first half of the year.
- Earnings weakness persists. Average weekly earnings increased 0.6% from the previous month to \$1,145 in October. Despite the monthly improvement, earnings growth was down 1.8% y/y. Growth in the goods sector was down 2.6% y/y in October, while growth in service sector earnings was a weak (+0.5% y/y). Year-to-date, Alberta earnings are up only 0.2%.

Canada

- Canada gains jobs. Employment increased by 22,800 jobs in December. Employment was propelled up by Ontario (+34,900) and Quebec (+12,700), while almost all the other provinces loss jobs. Canada added 158,100 jobs from December 2014, a 0.9% y/y gain. Overall, employment grew by 0.8% for 2015, an increase of 144,400 jobs.
- Unemployment rate flat. The Canadian unemployment rate was unchanged at 7.1% in December. The unemployment rate averaged 6.9% in 2015, unchanged from the rate in 2014.
- Canadian earnings increase again in October. Canadian average weekly earnings increased 0.5% from the previous month to \$959. Growth was up 1.9% y/y. Alberta was the only province to experience negative growth, and four provinces posted growth of 3% y/y or higher. Year-to-date, Canadian earnings were up 1.9%.

Employment Growth by Province, December 2015 vs. December 2014



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,285,000
month-over-month change	3,900
year-over-year % change	-0.6%
Alberta Unemployment Rate (UR)	7.0%
Edmonton UR**	6.2%
Calgary UR**	7.0%
Participation Rate	72.7%
Average Weekly Earnings (AWE)	\$1,145.26
year-over-year % change	1.8%
Average Hourly Wage	\$29.34
year-over-year % change	3.3%
Job Vacancy Rate***	1.7%

Source: Statistics Canada

* All data is from the December 2015 Labour Force Survey, except AWE which is the October 2015 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for September 2015.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

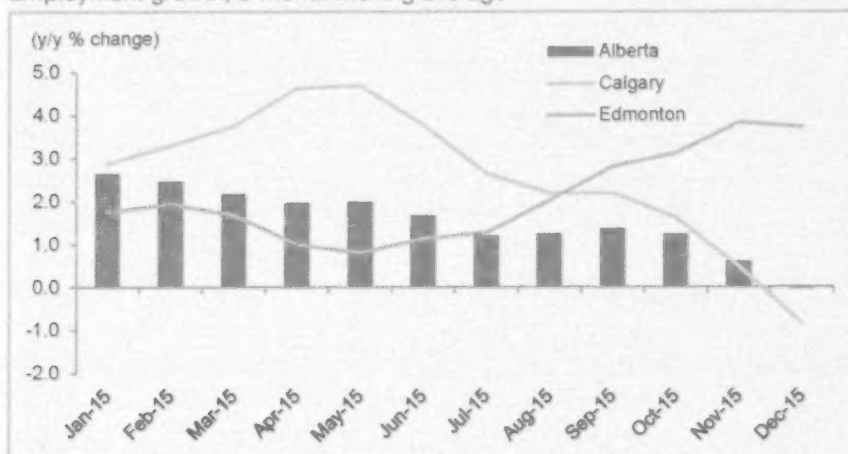
A tale of two Alberta labour markets

The steep drop oil prices caused a sharp deterioration in the Alberta labour market in 2015. Through the year, employment declined by 1.2%, and the unemployment rate rose by 56%. Due to the energy industry's larger presence in Calgary, Calgary's labour market experienced greater deterioration compared to Edmonton. This month's *Labour InSight* looks at the differences in the Calgary and Edmonton labour markets.

Edmonton added jobs, while Calgary lost

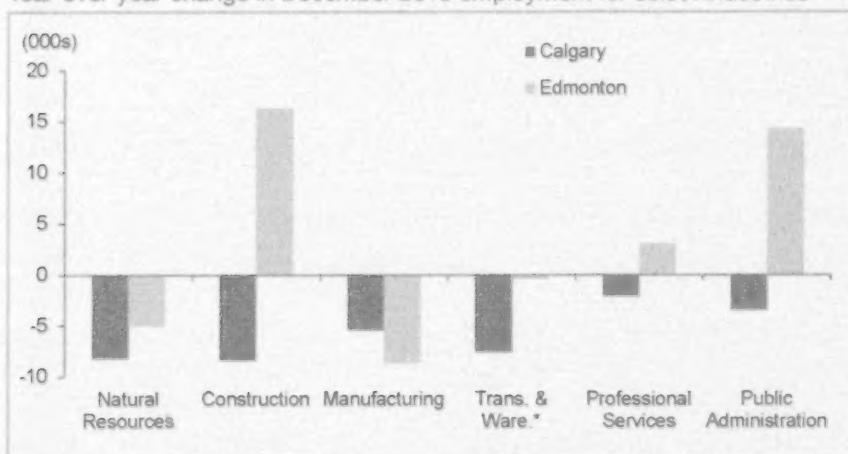
Over the year, employment in Edmonton increased; particularly towards the last few months of the year. In December, it rose 3.7% year-over-year (y/y). Calgary's

Chart 1: Diverging job growth between Calgary and Edmonton
Employment growth, 3-month moving average



Source: Statistics Canada

Chart 2: Variation in Calgary and Edmonton industry employment
Year-over-year change in December 2015 employment for select industries



Source: Statistics Canada

*Transportation and Warehousing

employment, however, tumbled (Chart 1). Employment growth progressively weakened from 4.7% y/y in May to a decline of 0.8% y/y in December. This was the lowest employment growth in 5 years.

Unemployment rates rise

Alberta's unemployment rate was 7.0% in December, a 2.5 percentage point (ppt.) increase since January 2015. Both cities experienced an increase in rates, but Calgary's rate increased faster. Calgary's rate increased 2.3 ppt. to 7.0% in December (Chart 2). Edmonton's rate increased a more modest 1.4 ppt. to 6.2% in December.

Participation rates diverge

Alberta's labour force participation rate was largely unchanged in 2015, but the rates in Calgary and Edmonton moved in opposite directions. Edmonton's rate, usually below Calgary's, surged to its highest rate since the data began in 2001. In contrast, Calgary's rate dropped to its lowest rate since data collection began. This decline cushioned the effect on Calgary's unemployment rate.

Calgary industries hit harder

Employment in the majority of industries in Calgary was hit harder than Edmonton (Chart 2). In Calgary, employment fell by 9,000 y/y in December, with just under half of the industries posting losses. Employment in the construction industry fell by 8,400 y/y in December, and the natural resources (including energy) industry lost 8,200 y/y. In Edmonton, employment increased by 28,400 y/y in December, with just over half of the industries posting gains. In particular, construction and public administration (which includes federal, provincial and municipal government employment) together added 30,600 jobs y/y.

Contact

Erin Bartmanovich 780.427.8814

Have a question or idea for Labour InSight? Send us an [email](#).